

IN THE CLAIMS

1. – 8. (canceled)

9. (previously presented) A method for impounding escrow funds via electronic funds transfer (EFT) from credit/debit card transactions of a merchant transacted by the between a merchant and one or more credit/debit card issuers, wherein credit/debit card transactions are initiated by the merchant at via a merchant credit/debit card terminal, are processed for processing by an electronic funds processor (EFP), wherein processing of the credit/debit card transactions by the EFP includes the steps of processing credit/debit card transaction and include authorization requests received from made by the merchant, processing credit/debit card transaction authorizations received from authorized transactions granted by the one or more credit/debit card issuers to the merchant, and processing payment requests from made by the merchant concerning authorized credit/debit card transactions, the method comprising the additional steps of:

determining by the EFP an escrow portion for a payment associated with each credit/debit card transaction request by the merchant;

storing by the EFP information about each credit/debit card transaction request, including information about the escrow portion;

receiving by the EFP a payment request by the merchant concerning one or more authorized transactions;

determining by the EFP an escrow amount for one or more credit/debit card transaction payment requests based on from the stored information based on the one or more authorized transactions; and

crediting by the EFP an escrow account with the escrow amount; and

crediting by the EFP a merchant account with a net credit representing a sum of payments due concerning the one or more authorized transactions, reduced by the escrow amount.

10. (canceled)

11. (currently amended) The method of claim ~~10~~ 9, wherein ~~the EFP debits from~~ the net credit is further reduced by one or more service fee fees specified by a the one or more credit/debit card issuer issuers.

12. (currently amended) The method of claim ~~10~~ 9, wherein ~~the EFP debits from~~ the net credit is further reduced by one a service fee specified by the EFP.

13. (previously presented) The method of claim 9, wherein a service fee specified by an escrow account provider is debited from the escrow amount.

14. (previously presented) The method of claim 13, wherein the escrow account provider is one of the EFP, a merchant bank and other credit/debit card service providers.

15. (previously presented) The method of claim 9, wherein the escrow amount represents a tax owed with respect to the payment requests.

16. (previously presented) The method of claim 15, wherein the tax owed is determined as a function of a tax rate for a tax jurisdiction identified to the payment requests.

17. (previously presented) The method of claim 16, wherein the tax rate is associated with at least one of a sales tax schedule, a value-added tax schedule and a garnishment schedule.

18. (previously presented) The method of claim 17, wherein the tax rate is increased by a predetermined amount over the tax rate of the jurisdiction to facilitate payment of back taxes.

19. (previously presented) The method of claim 9, wherein the escrow account is a merchant savings account.

20. (currently amended) The method of claim 9, ~~further comprising~~ wherein the determining step further comprises the steps of:

identifying by the EFP that ~~a payment request~~ one of the one or more authorized transactions is exempt from impounding escrow funds; and

~~assigning the escrow portion of the exempt payment to be nil~~ determining the escrow amount based on the others of the one or more authorized transactions.

21. (previously presented) The method of claim 13, further comprising the step of providing the information about the escrow portion to at least one of the merchant and the escrow account provider.

22. (previously presented) The method of claim 21, wherein the information about an escrow portion is provided in combination with a sales draft.

23. (previously presented) The method of claim 9, further comprising the step of providing escrow account information to the merchant via a secure web site.

24. – 38. (canceled)

39. (currently amended) The method of claim 9, ~~wherein the EFP notifies a credit card issuer of the escrow amount and the credit card issuer credits the escrow account with the escrow amount~~ further comprising the step of:

forwarding by the EFP a payment request to one of the one or more credit/debit card issuers concerning one of the one or more authorized transaction authorized by the one credit/debit card issuer, so that the one credit/debit card issuer may directly credit the merchant account with a payment corresponding to the one authorized transaction;

wherein the net credit is further reduced by an amount corresponding to the one authorized transaction.

40., 41. (canceled)

42. (new) The method of claim 9, further comprising the steps of:
receiving by the EFP a cash transaction report reported by the merchant;
determining by the EFP a second escrow amount based on the cash transaction report;
debiting by the EFP the second escrow amount from a source of merchant funds; and
crediting by the EFP the merchant escrow account with the second escrow amount.